

State of Alaska FY2008 Governor's Operating Budget

Dept of Commerce,Community,& Economic Development Investments RDU/Component Budget Summary

RDU/Component: Investments

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

To promote economic development;

To provide interagency and interdepartmental loan servicing of other loan portfolios that increase operational efficiencies; and

To protect the State's investments in the loan funds under administration and provide a return on capital when it does not impair program missions.

Core Services

Provide direct state loan origination and servicing under five active loan programs: Commercial Fishing, Fisheries Enhancement, Small Business Economic Development, Rural Development Initiative Fund, and Self-Help Group Home.

Provide servicing of loan portfolios owned by other state agencies.

Protect the financial integrity of the loan funds under administration through loan servicing efforts and provide a return on capital to the state when appropriate.

End Results	Strategies to Achieve Results
<p>A: Economic development through direct state lending in those industries and in those areas that are not adequately serviced by the private sector.</p> <p><u>Target #1:</u> Create or maintain 500 jobs annually in the Alaska commercial fishing industry as a result of financial services provided under the Commercial Fishing Revolving Loan Fund (CFRLF).</p> <p><u>Measure #1:</u> The number of direct jobs created or maintained.</p> <p><u>Target #2:</u> Create or maintain 50 rural jobs annually statewide as a result of Rural Development Initiative Fund (RDIF) and Small Business Economic Development (SBED) loans.</p> <p><u>Measure #2:</u> The number of rural jobs created or maintained.</p> <p><u>Target #3:</u> Provide financing to Alaskan private non-profit aquaculture corporations to produce \$40 million in hatchery-reared salmon to Alaskan commercial fisheries annually.</p> <p><u>Measure #3:</u> Total annual value of hatchery-reared salmon to various commercial fisheries.</p>	<p>A1: Increase financial services provided to Alaskan commercial fishing harvesters.</p> <p><u>Target #1:</u> Provide financial services to 750 commercial fishing harvesters annually.</p> <p><u>Measure #1:</u> The number of harvesters provided with financial services annually through new loans, loan restructurings, workouts, refinancing and other lending activities under the Commercial Fishing Revolving Loan Fund.</p> <p>A2: Promote development of predominately resident fisheries by increasing or maintaining the percentage of limited entry permits held by Alaska residents.</p> <p><u>Target #1:</u> Maintain the number of permits held by Alaskans at 78% or greater.</p> <p><u>Measure #1:</u> The percentage of limited entry permits held by Alaska residents.</p> <p>A3: Utilize the Rural Development Initiative Fund and the Small Business Economic Development loan fund to increase the number of jobs created or maintained in rural communities.</p> <p><u>Target #1:</u> Generate sixteen new Rural Development Initiative Fund and Small Business Economic Development loans originated and serviced for the Alaska Industrial Development and Export Authority (AIDEA) annually.</p>

	<p><u>Measure #1:</u> The number of new Rural Development Initiative Fund and Small Business Economic Development Loans.</p> <p>A4: Promote enhancement of the state's fisheries by decreasing response time to loan applications from private non-profit aquaculture associations.</p> <p><u>Target #1:</u> Process Fisheries Enhancement loan applications in 25 days or less.</p> <p><u>Measure #1:</u> The number of days to process Fisheries Enhancement loan applications.</p>
End Results	Strategies to Achieve Results
<p>B: Interagency and interdepartmental servicing of loan portfolios.</p> <p><u>Target #1:</u> Generate \$1.0 million or more annually in new loans.</p> <p><u>Measure #1:</u> The annual dollar amount of loans generated from loan portfolios serviced for other agencies.</p>	<p>B1: Provide prudent financial management of loan funds serviced for other agencies.</p> <p><u>Target #1:</u> Maintain the cumulative delinquency rate of revolving loan portfolios serviced for agencies other than the Alaska Division of Investments at 10% or less.</p> <p><u>Measure #1:</u> The average annual delinquency rate of all loans serviced for other agencies.</p>
End Results	Strategies to Achieve Results
<p>C: A return of capital to the state through financial management of loan funds.</p> <p><u>Target #1:</u> Generate \$3.5 million in excess earnings annually that may be utilized to fund government operations.</p> <p><u>Measure #1:</u> The amount of excess earnings generated annually from the operation of loan funds.</p>	<p>C1: Generate capital excess to loan demand and operational needs to help fund government operations.</p> <p><u>Target #1:</u> Maintain the cumulative delinquency rate of all loan portfolios serviced by the Alaska Division of Investments (ADI), whether serviced for other agencies or owned by ADI, at 9% or less.</p> <p><u>Measure #1:</u> Average annual delinquency rate of all loan funds.</p> <p><u>Target #2:</u> Maintain the delinquency rate of the Commercial Fishing Revolving Loan Fund at 12% or less.</p> <p><u>Measure #2:</u> Average annual delinquency rate of the Commercial Fishing Revolving Loan Fund.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Promote Program Awareness through Marketing/Outreach Efforts • Loan Origination • Loan Servicing • Promote Awareness of Loan Servicing Capabilities • Loan Refinancing • Loan Modifications and Workouts • Loan Collections • Originate Loans in Rural Areas that Focus on Job Creation 	<ul style="list-style-type: none"> • Pursue Additional Funding Opportunities when Appropriate • Continue Utilizing Fisheries Business Assistance • Contract • Continue Public Outreach Efforts to Rural Alaska • Continue Participation in the Volunteer Tax and Loan Program • Participate in Hatchery Corporation Board Meetings • Administer Salmon Enhancement Tax Distribution • Provide Loans To Newly Created Community Quota Entities

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$4,627,400	Personnel:	
	Full time	39
	Part time	0
	Total	39

Performance Measure Detail

A: Result - Economic development through direct state lending in those industries and in those areas that are not adequately serviced by the private sector.

Target #1: Create or maintain 500 jobs annually in the Alaska commercial fishing industry as a result of financial services provided under the Commercial Fishing Revolving Loan Fund (CFRLF).

Measure #1: The number of direct jobs created or maintained.

Number of Jobs Created or Maintained Through Commercial Fishing Revolving Loans

Fiscal Year	Jobs Created/Maintained
FY 2005	603
FY 2006	400

Analysis of results and challenges: The reduction in jobs in FY06 is due to a substantial increase in the number of loan repayments made, which in turn resulted in a dramatic reduction in the number of extension requests processed. Fewer extension requests reduced the number of jobs maintained. Maintaining local ownership of fishery resources and the jobs associated with this ownership is critically important to Alaska's economy. Lending activity results in the creation of new jobs and the maintenance of existing jobs for Alaska residents, in addition to providing a necessary source of capital to the commercial fishing industry. Maintaining employment levels is critical to Alaska's economy, particularly in rural areas of the state. The Commercial Fishing Revolving Loan Fund (CFRLF) plays a significant role in the rural economy, as commercial fishing is often the only viable economic activity. The Alaska Division of Investments (ADI) will seek to maximize the ability of the CFRLF to facilitate job creation.

Target #2: Create or maintain 50 rural jobs annually statewide as a result of Rural Development Initiative Fund (RDIF) and Small Business Economic Development (SBED) loans.

Measure #2: The number of rural jobs created or maintained.

Number of Jobs Created or Maintained Through Rural Development Initiative Fund and Small Business Economic Development Loans

Fiscal Year	Jobs Created/Maintained
FY 2003	38
FY 2004	31
FY 2005	204
FY 2006	186

Analysis of results and challenges: The increase in jobs in FY05 was the result of a significant outreach effort undertaken in rural areas of the state, which dramatically increased loan volume. The slight reduction in FY06 is a result of fewer funds available to finance projects. Since these funds are revolving, and repayments are coming in slower than the demand for new loans, the number of new loans made in FY07 is expected to be reduced as well. The creation of jobs is a keystone of economic development efforts. The primary goal of the Rural Development Initiative Fund (RDIF) and the Small Business Economic Development (SBED) programs is economic development through job creation in rural areas. During FY06, a total of 186 jobs were created or

maintained as a result of loans made under the RDIF and SBED programs. The Alaska Division of Investments will intensify efforts to locate and finance viable projects through the RDIF and SBED programs.

Target #3: Provide financing to Alaskan private non-profit aquaculture corporations to produce \$40 million in hatchery-reared salmon to Alaskan commercial fisheries annually.

Measure #3: Total annual value of hatchery-reared salmon to various commercial fisheries.

Total Value of Hatchery-Reared Salmon to Statewide Commercial Fisheries

Year	Hatchery Salmon Value
1998	\$41,700,000
1999	\$46,800,000
2000	\$57,000,000
2001	\$44,300,000
2002	\$29,100,000
2003	\$39,900,000
2004	\$26,500,000
2005	\$39,300,000

Analysis of results and challenges: Salmon hatcheries provide a significant financial contribution to numerous coastal economies. The Alaska Division of Investments (ADI) provides the salmon aquaculture industry in Alaska with a source of low-cost capital through the Fisheries Enhancement Revolving Loan Fund (FERLF). This capital is specifically tailored by statute to meet the needs of this unique industry and is not available in the private sector. Measuring the amount of money generated annually as a result of salmon raised by FERLF participants is a good indicator of the program's effectiveness. The most recent information available from the Alaska Department of Fish & Game (ADF&G) Calendar Year 2005 (CY05), indicates a total market value of hatchery-reared salmon of \$39.3 million.

A1: Strategy - Increase financial services provided to Alaskan commercial fishing harvesters.

Target #1: Provide financial services to 750 commercial fishing harvesters annually.

Measure #1: The number of harvesters provided with financial services annually through new loans, loan restructurings, workouts, refinancing and other lending activities under the Commercial Fishing Revolving Loan Fund.

Harvesters Provided with Financial Services under the Commercial Fishing Revolving Loan Fund

Fiscal Year	Commercial Harvesters
FY 2004	841
FY 2005	1032
FY 2006	912

Analysis of results and challenges: One of the primary benefits of the lending activity and financial services provided under the Commercial Fishing Revolving Loan Fund (CFRLF) is the creation and maintenance of jobs. There is a direct link between new loans and job creation as resident borrowers hire licensed crew to operate their small business enterprises. They also have a positive impact on Alaska's economy through the purchase of goods and services. Like any small business, these fishing operations are small economic development engines, often located in rural areas where they provide one of the few practical economic development means available. In addition, the Alaska Division of Investments (ADI) efforts in restructuring troubled loans serves as an economic buffer to the significant potential loss of jobs that would result without such efforts. Another significant benefit to the services provided by ADI is the ability to provide financial management and small business management skills to individuals as a result of the application process.

A2: Strategy - Promote development of predominately resident fisheries by increasing or maintaining the percentage of limited entry permits held by Alaska residents.

Target #1: Maintain the number of permits held by Alaskans at 78% or greater.

Measure #1: The percentage of limited entry permits held by Alaska residents.

The Percentage of Limited Entry (LE) Permits Held by Alaskan Residents

Fiscal Year	Alaskan Owned LE Permits
FY 1998	77%
FY 1999	78%
FY 2000	78%
FY 2001	78%
FY 2002	78%
FY 2003	78%
FY 2004	78%
FY 2005	78%
FY 2006	77%

Analysis of results and challenges: A statutory mission of the Commercial Fishing Revolving Loan Fund is to provide long term, low interest loans to commercial fishing harvesters to promote resident fisheries. The overall resident ownership of limited entry permits is one of the ways to measure program success. Resident ownership is particularly important in rural areas where economic opportunities are limited.

A3: Strategy - Utilize the Rural Development Initiative Fund and the Small Business Economic Development loan fund to increase the number of jobs created or maintained in rural communities.

Target #1: Generate sixteen new Rural Development Initiative Fund and Small Business Economic Development loans originated and serviced for the Alaska Industrial Development and Export Authority (AIDEA) annually.

Measure #1: The number of new Rural Development Initiative Fund and Small Business Economic Development Loans.

The Number of New Rural Development Initiative Fund (RDIF) and Small Business Economic Development (SBED) Loans Originated and Serviced for Alaska Industrial Development and Export Authority

Fiscal Year	New Loans ~ SBED & RDIF
FY 2003	5
FY 2004	9
FY 2005	23
FY 2006	22

Analysis of results and challenges: The Small Business Economic Development and Rural Development Initiative Fund loan programs were designed specifically for creating and maintaining jobs in rural areas of the state. Loans under these programs are analyzed in terms of their ability to do so. During Fiscal Year 2006 (FY06), a total of 22 loans were made, creating or saving a total of 186 rural jobs. The Alaska Division of Investments intends to build on this success by continuing to market the program and will strive to create as many jobs as possible by fully utilizing available funding.

A4: Strategy - Promote enhancement of the state's fisheries by decreasing response time to loan applications from private non-profit aquaculture associations.

Target #1: Process Fisheries Enhancement loan applications in 25 days or less.

Measure #1: The number of days to process Fisheries Enhancement loan applications.

Fisheries Enhancement Loan Application Response Time

Fiscal Year	Days to Process FE App
FY 2004	24
FY 2005	17
FY 2006	5

Analysis of results and challenges: Efficient processing of applications benefits the aquaculture industry during periods of economic stress such as we are currently experiencing. Projects funded through loans are not as likely to be jeopardized by delays and cost overruns when applications are processed timely.

B: Result - Interagency and interdepartmental servicing of loan portfolios.

Target #1: Generate \$1.0 million or more annually in new loans.

Measure #1: The annual dollar amount of loans generated from loan portfolios serviced for other agencies.

New Loans Generated From Loan Portfolios Serviced for Other Agencies

Fiscal Year	New Loans Generated
FY 2003	\$1,374,600
FY 2004	\$1,031,400
FY 2005	\$2,989,100
FY 2006	\$2,540,000

Analysis of results and challenges: Full utilization of the loan funds serviced for other agencies leads to job creation and overall economic development. The Alaska Division of Investments (ADI) has taken steps to increase public awareness of these programs that has led to a dramatic increase in loan volume and a higher level of utilization of the funds. ADI's goal is to maintain the highest level of fund utilization resulting in job creation, while maintaining prudent lending practices.

B1: Strategy - Provide prudent financial management of loan funds serviced for other agencies.

Target #1: Maintain the cumulative delinquency rate of revolving loan portfolios serviced for agencies other than the Alaska Division of Investments at 10% or less.

Measure #1: The average annual delinquency rate of all loans serviced for other agencies.

Average Annual Delinquency Rate of Portfolios Serviced for Other Agencies

Fiscal Year	Average Delinquency Rate
FY 2003	11.0%
FY 2004	10.2%
FY 2005	14.8%
FY 2006	6.8%

Analysis of results and challenges: The consolidation of lending functions across various agencies to the Alaska Division of Investments (ADI) results in more efficient government. Maintaining low delinquency rates on the loan funds administered by ADI results in greater operational efficiencies and a higher rate of return to the loan funds. The majority of loans serviced for other agencies are small business loans aimed at rural areas.

Commercial lending in rural Alaska requires experience and knowledge in rural economic conditions to stimulate economic development while maintaining prudent lending practices. ADI accomplishes this by utilizing an experienced and knowledgeable staff.

C: Result - A return of capital to the state through financial management of loan funds.

Target #1: Generate \$3.5 million in excess earnings annually that may be utilized to fund government operations.

Measure #1: The amount of excess earnings generated annually from the operation of loan funds.

Excess Earnings Utilized for Government Operations

Fiscal Year	Excess Earnings Utilized
FY 2000	\$1,508,600
FY 2001	\$3,115,500
FY 2002	\$2,040,200
FY 2003	\$4,530,100
FY 2004	\$2,875,300
FY 2005	\$5,557,000
FY 2006	\$4,000,000

Analysis of results and challenges: Proper financial management of the Alaska Division of Investments loan portfolios creates earnings that can be made available for the operations of state government. Excess interest earnings from continuing operations of the loan funds, combined with interest earned by the Treasury from cash in the loan funds, can be utilized without sacrificing program goals when managed carefully.

C1: Strategy - Generate capital excess to loan demand and operational needs to help fund government operations.

Target #1: Maintain the cumulative delinquency rate of all loan portfolios serviced by the Alaska Division of Investments (ADI), whether serviced for other agencies or owned by ADI, at 9% or less.

Measure #1: Average annual delinquency rate of all loan funds.

Average Annual Delinquency Rate of All Loan Funds

Fiscal Year	Average Delinquency Rate
FY 2000	6.9%
FY 2001	10.4%
FY 2002	15.1%
FY 2003	15.6%
FY 2004	10.7%
FY 2005	6.3%
FY 2006	2.1%

Analysis of results and challenges: Maintaining an appropriately low delinquency rate on loan funds under the Alaska Division of Investments (ADI) administration increases cash flow into the funds, making more funds available to lend and generating more interest income. Delinquency management is an integral part of the financial management of loan funds. ADI accomplishes this by utilizing an experienced and knowledgeable collections staff.

Target #2: Maintain the delinquency rate of the Commercial Fishing Revolving Loan Fund at 12% or less.

Measure #2: Average annual delinquency rate of the Commercial Fishing Revolving Loan Fund.

Average Annual Delinquency Rate of the Commercial Fishing Revolving Loan Fund

Fiscal Year	Average Delinquency Rate
FY 2000	25.0%
FY 2001	17.0%
FY 2002	20.4%
FY 2003	21.5%
FY 2004	13.5%
FY 2005	9.6%
FY 2006	4.8%

Analysis of results and challenges: The commercial fishing industry in Alaska has experienced dramatic and stressful changes in the recent past, primarily as a result of the impact of farmed salmon on world markets. The Alaska Division of Investments (ADI) has utilized many creative solutions to help meet the needs of the industry and accomplish program goals while at the same time protecting the integrity of the Commercial Fishing Revolving Loan Fund. ADI will continue to effectively manage delinquencies by utilizing an experienced and knowledgeable collections staff.

Key Component Challenges

Rural Economic Development

Promoting economic development in rural areas of Alaska presents a challenge. ADI will play an important role in the Department's efforts to promote economic development in rural Alaska by providing access to capital. These efforts will utilize several programs administered by ADI including the Rural Development Initiative Fund, Small Business Economic Development Fund, Commercial Fishing Revolving Loan Fund, the Volunteer Tax and Loan Program, and the Community Quota Entity Program. ADI will continue to focus on efforts to effectively market these programs. The goal is to increase economic activity and employment opportunities in rural areas of the state.

Salmon Industry

The commercial fishing industry continues to experience challenges as world markets adapt to the ever changing supply of fisheries products. It is extremely important that Alaska maintains its place in the marketplace during these very challenging times. Both the Commercial Fishing Revolving Loan Fund (CFRLF) and the Fisheries Enhancement Revolving Loan Fund (FERLF) play a very important role in Alaska's fishing industry. The CFRLF promotes a resident fishery by providing Alaskan harvesters with access to capital to finance their commercial fishing operations. The FERLF provides financing to nonprofit aquaculture associations that has allowed them to contribute millions of salmon to the common property fishery each year. The economic impact of these efforts easily exceeds one billion dollars. ADI will continue to focus on these vitally important programs during FY08.

Loan Servicing Software Replacement

The software package currently being used by ADI was purchased in the early 1980's and is out of date. ADI purchased a replacement system and is in the process of converting existing data and implementing the new system. The new system will provide loan origination functions such as application tracking, document creation and management. It will also provide accurate and timely information to management, the legislature and the public. Customization and full implementation of the new system is expected to be completed in FY08.

Significant Changes in Results to be Delivered in FY2008

No significant changes.

Major Component Accomplishments in 2006

Commercial Fishing Revolving Loan Fund Program (CFRLF). This program promotes the development of a predominantly resident fishery by providing loans to Alaskan commercial fishing harvesters. Market conditions in the commercial fishing industry have dramatically changed in recent years creating tremendous challenges for commercial fishing harvesters that utilize the CFRLF. The Alaska Division of Investments (ADI) has worked extensively with harvesters to ensure that the CFRLF continues to fulfill its mission. In fiscal year 2006, ADI made 153 new loans totaling nearly \$9.7 million and processed 80 loan extension requests.

AS 16.10.310(a)(10) allows commercial fishing borrowers to refinance existing CFRLF loans to take advantage of reduced interest rates when they occur. ADI has developed a streamlined application process to assist borrowers in their refinancing efforts. During FY06, ADI processed nineteen refinancing applications.

In FY06 the CFRLF experienced some of the lowest delinquency rates and fewest number of loan extension requests on record. Cash flow to the fund was also extremely strong. As a result of this very strong performance the CFRLF produced excess earnings of approximately \$4 million dollars that was available to fund other government operations.

Fisheries Enhancement Revolving Loan Fund Program (FERLF). This program promotes the enhancement of the State's fisheries by making loans to qualified nonprofit corporations to build and operate salmon hatcheries and to engage in other fisheries related enhancement activities. During FY06, ADI made two loans totaling \$1.1 million.

Small Business Economic Development (SBED) Loan Program. This program provides loans to small businesses located in areas of the state that have experienced economic difficulties. The purpose of the program is to create jobs and stimulate economic activity in these communities. During FY06, ADI made nine SBED loans totaling \$1.2 million. These loans resulted in the creation/retention of 41 jobs.

Rural Development Initiative Fund (RDIF). This program provides loans to businesses located in communities of 5,000 or less. During FY06, ADI made thirteen loans totaling \$1.3 million. These loans have resulted in the creation/retention of 145 jobs.

Volunteer Tax and Loan Program (VTLP). ADI supported the Volunteer Tax and Loan Program (VTLP) through a fisheries business development contract with the Alaska Business Development Center, Inc. (ABDC). This program has been operating successfully since 1996. The focus of the VTLP continues to be rural harvesting communities targeted by the IRS as having tax compliance issues. During the 2006 tax season, the VTLP teams, comprised of advanced college accounting students and tax supervisors, as well as ABDC consultants, visited a total of 69 villages in eight areas to provide tax preparation and loan application services as well as financial counseling. Another 15 villages were assisted via mailed returns for a total of 84 communities that received assistance. The eight areas around the state that were assisted included Western, Yukon Delta, Kodiak, Bristol Bay, Southeast, Interior, Pribilofs and the Aleutian Islands. VTLP's volunteers prepared over 3,016 tax returns, assisting approximately 6,500 people. As a result of these efforts, more than \$3.7 million in tax-refunds are returning to these communities.

Salmon Enhancement Tax Distribution. This self-imposed tax is paid by commercial fishing harvesters on the sale of salmon in areas that have formed regional aquaculture associations. The tax is collected by the Department of Revenue and distributed to the associations by ADI. A total of \$4.5 million was disbursed in FY06 to six associations: Prince William Sound Aquaculture Association, Northern Southeast Regional Aquaculture Association, Southern Southeast Regional Aquaculture Association, Chignik Regional Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association.

State Bond Committee Participation (Committee). The Committee met five times during FY06. They allocated a total of \$239.18 million of Private Activity Cap. The Alaska Housing Finance Corporation was allocated \$199.18 million, and \$40 million went to the Alaska Student Loan Corporation. The Committee also approved transactions for a new virology lab (\$24 million), clean water fund (\$2.4 million), Alaska International Airport System Improvements (\$344.6 million) and Sportfish Improvements (\$68 million)

Alaska Municipal Bond Bank Authority Participation (Bond Bank). The Bond Bank met four times during FY06 and approved approximately \$77.4 million in financing to cities and boroughs around the state to pay for a multitude of public projects. Communities that benefited from this activity included Petersburg, Haines, North West Arctic Borough, Seward, Kenai Peninsula Borough, City of Ketchikan, Nome, Wrangell, Aleutians East Borough, Ketchikan Borough and Lake and Peninsula Borough. Fourteen loans were issued that resulted in approximately \$3.8 million in savings to the

participating communities.

Student Loan Corporation Participation (Board). The Board met five times during FY06. They approved an FY07 dividend payment of \$1.9 million to the State. They also provided \$500,000 funding for the new Alaska Advantage Grant Program and approved a 2005 Education Loan Revenue Bond issue in the amount of \$85 million. A 2005/2006 Borrower Benefit package was also approved that allows for a reduction of interest rates charged to borrowers.

Statutory and Regulatory Authority

AS 45.88.010 -.050, .500	Alternative Energy Revolving Loan Fund
AS 44.33.240 -.275	Child Care Facility Revolving Loan Fund
AS 16.10.300 -.370	Commercial Fishing Loan Act
AS 16.10.500 -.620	Fisheries Enhancement Loan Program
AS 45.98.010 -.070	Historical District Revolving Loan Fund
AS 27.09.010 -.060	Mining Loan Fund
AS 45.89.010 -.070, .500	Residential Energy Conservation Fund
AS 45.95.010 -.080	Small Business Revolving Loan Fund
AS 26.15.010 -.170	WWII Veterans Revolving Fund
AS 44.88.400 -.430	Small Business Economic Development Revolving Loan Fund
AS 44.88.600 -.900	Rural Development Initiative Fund
AS 44.29.210 - .230	Alcoholism and Drug Abuse Revolving Loan Fund
AS 44.33.020	Dept of Commerce, Community, & Economic Dev
3 AAC 41.010 -.900	Veterans Loan Assumptions
3 AAC 77.010 -.900	Repossessed Property
3 AAC 78.010 -.900	Alternative Energy Loans
3 AAC 79.010 -.900	Residential Energy Conservation
3 AAC 80.010 -.900	Commercial Fishing Loans
3 AAC 81.010 -.900	Fisheries Enhancement Loans & Grants
3 AAC 82.010 -.900	Child Care Facility Loans
3 AAC 83.010 -.900	Historical District Loans
3 AAC 86.010 -.900	Small Business Loan Assumptions
3 AAC 87.010 -.900	Mining Loans
3 AAC 89.010 -.900	Fisheries Enhancement Tax Appropriation
3 AAC 99.800 -.820	Small Business Economic Development Loans
3 AAC 170.010 -.900	Rural Development Initiative Fund

Contact Information

Contact: Greg Winegar, Director
Phone: (907) 465-2510
Fax: (907) 465-2103
E-mail: greg_winegar@commerce.state.ak.us

Investments Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,822.4	2,717.7	3,154.8
72000 Travel	50.6	31.2	31.2
73000 Services	849.2	1,381.2	1,398.7
74000 Commodities	83.5	37.9	37.9
75000 Capital Outlay	12.4	4.8	4.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,818.1	4,172.8	4,627.4
Funding Sources:			
1007 Inter-Agency Receipts	3.0	3.9	4.3
1036 Commercial Fishing Loan Fund	3,322.5	3,532.4	3,942.2
1070 Fisheries Enhancement Revolving Loan Fund	450.0	539.1	574.9
1164 Rural Development Initiative Fund	25.0	49.5	54.0
1170 Small Business Economic Development Revolving Loan Fund	17.6	47.9	52.0
Funding Totals	3,818.1	4,172.8	4,627.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	0.5	0.0	0.0
Unrestricted Total		0.5	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	3.0	3.9	4.3
Commercial Fishing Loan Fund	51100	3,322.5	3,532.4	3,942.2
Fisheries Enhance. Revolving Loan Fund	51245	450.0	539.1	574.9
Rural Development Initiative Fund (2000)	51435	25.0	49.5	54.0
Small Business Dev Revolving Loan Fund	51467	17.6	47.9	52.0
Restricted Total		3,818.1	4,172.8	4,627.4
Total Estimated Revenues		3,818.6	4,172.8	4,627.4

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	0.0	4,172.8	4,172.8
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.0	0.0	0.2	0.2
Proposed budget increases:				
-FY 08 Internal Dept Cost Increase due to Retirement Systems Rate Increases	0.0	0.0	77.5	77.5
-FY 08 Retirement Systems Rate Increases	0.0	0.0	376.9	376.9
FY2008 Governor	0.0	0.0	4,627.4	4,627.4

**Investments
Personal Services Information**

Authorized Positions		Personal Services Costs			
<u>FY2007</u>					
<u>Management</u>	<u>Plan</u>	<u>FY2008</u>	<u>Governor</u>		
				Annual Salaries	1,889,805
Full-time	39	39		Premium Pay	0
Part-time	0	0		Annual Benefits	1,451,879
Nonpermanent	0	0		<i>Less 5.59% Vacancy Factor</i>	(186,884)
				Lump Sum Premium Pay	0
Totals	39	39		Total Personal Services	3,154,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant IV	0	0	1	0	1
Accounting Spvr I	0	0	1	0	1
Accounting Spvr II	0	0	1	0	1
Accounting Tech I	0	0	4	0	4
Accounting Tech II	0	0	3	0	3
Accounting Tech III	0	0	2	0	2
Administrative Clerk II	0	0	2	0	2
Administrative Clerk III	1	0	1	0	2
Administrative Manager I	0	0	1	0	1
Division Director	0	0	1	0	1
Loan Closer/Processor II	1	0	5	0	6
Loan Closer/Processor III	0	0	1	0	1
Loan/Collection Manager	0	0	1	0	1
Loan/Collection Off I	2	0	4	0	6
Loan/Collection Off II	0	0	3	0	3
Loan/Collection Officer III	1	0	2	0	3
Secretary	0	0	1	0	1
Totals	5	0	34	0	39